

REMARKS OF WILLIAM J. CASEY

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BEFORE

THE CENTER FOR THE STUDY OF THE PRESIDENCY
17TH ANNUAL LEADERSHIP CONFERENCE

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ATLANTA, GEORGIA

DR. HOXIE, LADIES AND GENTLEMEN, IT IS A GREAT PLEASURE TO BE HERE TODAY. I AM GRATEFUL TO THE CENTER FOR THE STUDY OF THE PRESIDENCY FOR THIS CHANCE TO TELL YOU HOW AMERICAN INTELLIGENCE SEES OUR SECURITY INTERESTS IN THE WORLD AND TO LISTEN TO YOUR VIEWS ON THAT SCORE.

THERE ARE MANY DIMENSIONS IN THE CHALLENGE TO OUR NATIONAL SECURITY TODAY. THERE WAS A TIME WHEN DEALING WITH THE DIRECT MILITARY THREAT POSED BY THE SOVIET UNION WAS ALL THAT MATTERED. IT IS STILL, OF COURSE, THE PARAMOUNT CONCERN. BUT THE PRIMARY BATTLEGROUND OF OUR AGE-OLD STRUGGLE WITH TOTALITARIANISM MAY BE SHIFTING TO THE JUNGLES AND DESERTS AND CITIES OF THE THIRD WORLD. WHAT HAPPENS THERE MAY TURN OUT TO BE MORE IMPORTANT THAN STRATEGIC ARMS CONTROL TALKS OR THE COMPETITION ON THE MISSILE TEST RANGE.

WE HAVE RELIED FOR SECURITY FROM THE SOVIET MISSILES AIMED AT US AND OUR ALLIES UPON THE IDEA THAT A BALANCE OF OFFENSIVE FORCES WILL DETER A CONFLICT. THAT UNDERLYING ASSUMPTION HAS INCREASINGLY COME INTO QUESTION. THE OFFENSIVE BALANCE HAS NOT BEEN MAINTAINED. REDUCTIONS HAVE NOT BEEN ACHIEVED AS EXPECTED. INSTEAD, THE MOBILE MISSILES NOW BEING DEPLOYED BY THE SOVIET UNION PROMISE TO MAKE DETERRENCE THROUGH OFFENSIVE MISSILES INCREASINGLY UNCERTAIN IN THE YEARS AHEAD.

CLEARLY, THE SOVIET UNION TODAY HAS ENOUGH MISSILES WITH THE RELIABILITY, ACCURACY, AND EXPLOSIVE POWER TO ELIMINATE THE GREAT MAJORITY OF OUR OWN STRATEGIC FORCES WITH A PREEMPTIVE STRIKE. IN ADDITION, THE SOVIETS HAVE OVER THE LAST YEAR BEEN DEPLOYING NEW MOBILE MISSILES WHICH CAN BE HIDDEN, WHILE WE WILL NOT BE ABLE TO FIELD SUCH MISSILES UNTIL SOMETIME IN THE 1990s.

WE HAVE TO FIND A WAY TO COMPENSATE FOR THIS GROWING DISADVANTAGE. THE PRESIDENT HAS PROPOSED THE STRATEGIC DEFENSE INITIATIVE TO ACCOMPLISH THIS. ITS AIM IS TO PREVENT NUCLEAR WEAPONS FROM REACHING THEIR TARGETS. THE ARGUMENT AS TO WHETHER THIS DEFENSE WILL BE AN IMPENETRABLE SHIELD, UTTERLY FOOLPROOF, MISSES THE POINT. ANY DEGREE OF EFFECTIVE MISSILE DEFENSE WILL MAKE IT LESS FEASIBLE AND LESS SENSIBLE FOR THE SOVIET UNION TO CONTEMPLATE AN ATTACK BECAUSE OF THE UNCERTAINTIES OF ITS SUCCESS. IT WILL LEAVE ANYONE WHO SHOULD ATTACK US IN A POSITION OF NOT KNOWING WHAT THEY WOULD HIT AND WHAT WOULD SURVIVE, AND WE WOULD ALL BE A LOT SAFER.

HOW HAVE THE SOVIETS REACTED TO OUR EFFORTS TO RESEARCH AND TEST A MISSILE DEFENSE? REMEMBER, THE SOVIETS ARE IN THE MIDST OF A MAJOR LONG-TERM MISSILE DEFENSE PROGRAM -- THEIR OWN "STAR WARS," IF YOU WILL. FOR OVER 15 YEARS IT HAS INVOLVED SOME 10 RESEARCH AND DEVELOPMENT FACILITIES AND THOUSANDS OF SCIENTISTS AND ENGINEERS.

THEY LONG AGO DEPLOYED AN ABM SYSTEM AROUND MOSCOW AND THEY ARE EMBARKED ON A CIVIL DEFENSE PROGRAM FEATURING HUGELY EXPENSIVE AND AMBITIOUS UNDERGROUND CONSTRUCTION AND TRANSPORTATION FACILITIES TO ENSURE THE SURVIVABILITY OF THEIR NATIONAL LEADERSHIP DURING A NUCLEAR WAR. IN MISSILE DEFENSE, WE ARE THE NEWCOMERS ON THE BLOCK, ALTHOUGH YOU WOULD NEVER KNOW IT BY LISTENING TO SOVIET PROPAGANDA CONDEMNING THE PRESIDENT'S STRATEGIC DEFENSE INITIATIVE AS "DESTABILIZING." IT'S HARDLY SURPRISING THAT THE ICELAND TALKS FOUNDERED ON GORBACHEV'S INSISTENCE THAT PRESIDENT REAGAN BACK AWAY FROM SDI. GIVEN THE SOVIETS' IMPRESSIVE STRATEGIC GAINS, THEY HAVE EVERY REASON TO WANT TO CUT OFF OUR GOVERNMENT'S PLANS TO DEVELOP ITS OWN STRATEGIC DEFENSE.

THERE IS A SELF-SERVING HYPOCRISY IN THIS. SOVIET DEFECTORS TELL US THAT SOVIET GENERALS WERE ALARMED THAT WE MIGHT SEEK TO DEVELOP MISSILE DEFENSE FOR YEARS BEFORE RONALD REAGAN ANNOUNCED HIS STRATEGIC DEFENSE INITIATIVE IN 1983. THEIR OWN EFFORTS TOLD THEM THAT MISSILE DEFENSE IS DOABLE BUT THEY ALSO KNOW THAT OUR ADVANCED TECHNOLOGY WOULD ENABLE US TO DO IT MORE QUICKLY.

THE SOVIETS HAVE FOR YEARS WORKED IN ALL THE ADVANCED TECHNOLOGIES WHICH WE ARE RESEARCHING TO SEE IF EFFECTIVE MISSILE DEFENSE CAN BE DEVELOPED. SINCE THE MID-1960s, THEIR HIGH ENERGY LASER RESEARCH HAS BEEN MUCH LARGER THAN ANYTHING WE HAVE DONE. THEY ALREADY HAVE GROUND-BASED LASERS AT THEIR TEST SITES WHICH THEY CAN USE TO INTERFERE WITH OUR SATELLITES

AT LOW ALTITUDES. FOR WELL OVER A DECADE, THE SOVIETS HAVE BEEN WORKING ON PARTICLE BEAM WEAPONS AND ON RADIO FREQUENCY WEAPONS. THEY HAVE A VARIETY OF LONG-STANDING RESEARCH PROGRAMS UNDER WAY ON KINETIC ENERGY WEAPONS. IN ADDITION, THEY HAVE THE WORLD'S MOST ACTIVE MILITARY SPACE PROGRAM. IT IS HARDLY SURPRISING THAT MOSCOW AT PRESENT IS ADVANCING NEW ARMS CONTROL INITIATIVES DESIGNED TO CONSOLIDATE THEIR IMPRESSIVE GAINS AND TO CUT OFF OUR GOVERNMENT'S OWN PLANS TO MODERNIZE OUR STRATEGIC OFFENSIVE AND DEFENSIVE FORCES. YOU SHOULD ALSO KNOW THAT MOSCOW PRESENTLY CONTINUES, THROUGH CAMOUFLAGE, CONCEALMENT AND OTHER MEASURES, TO DENY US CRITICAL INFORMATION WE NEED TO ASSESS THE CURRENT STRATEGIC BALANCE OR TO VERIFY ANY FUTURE ARMS CONTROL AGREEMENT.

WE SAW AT REYKJAVIK THE PRIORITY WHICH THE SOVIETS GIVE TO STOPPING OUR MISSILE DEFENSE. SINCE REYKJAVIK, WE HAVE SEEN THEM SUGGEST MODIFICATIONS TO THE ABM TREATY WHICH WOULD ENCUMBER OUR EFFORTS TO DEVELOP MISSILE DEFENSE. FOR YEARS, WE HAVE SEEN THEM CONDUCT AN INTENSIVE PROPAGANDA PROGRAM AGAINST SDI IN THE PRESS, OVER THE AIRWAVES, IN THE HALLS OF CONGRESS, AMONG THE AMERICAN PUBLIC, AND AMONG OUR ALLIES.

WHY ARE THE SOVIETS CONDUCTING THIS PROPAGANDA CAMPAIGN? CLEARLY, THEY SEE THE POTENTIAL APPLICATIONS FOR ADVANCED DEFENSIVE TECHNOLOGIES; OTHERWISE, THEY WOULD NOT BE INVESTING SO MUCH EFFORT AND SO MANY RESOURCES IN THIS AREA. IT IS NOT UNREASONABLE TO CONCLUDE THAT THEY WOULD LIKE TO CONTINUE TO BE THE ONLY ONES PRESSING FORWARD IN THIS FIELD.

GORBACHEV'S CRUDE ATTEMPT TO PUSH US INTO KILLING SDI IN HIS MEETING WITH PRESIDENT REAGAN AT ICELAND HAS SENT A STRONG MESSAGE TO THE AMERICAN PEOPLE ON THE CRITICAL IMPORTANCE OF MISSILE DEFENSE TO THEIR SECURITY. IT HAS TOLD THEM THAT THE SOVIETS THINK THAT MISSILE DEFENSE IS DOABLE AND THAT SOVIET PROPAGANDA TO THE CONTRARY IS FALSE AND SELF-SERVING.

THE TRUTH IS THAT THE SOVIETS' HIGHEST STRATEGY IS TO BLUNT OUR TECHNOLOGY IN EVERY POSSIBLE WAY, IN ECONOMIC AND POLITICAL COMPETITION, AS WELL AS IN STRATEGIC COMPETITION. IT IS OUR TECHNOLOGY WHICH PROVIDES THE CRITICAL EDGE WHICH PERMITS US TO OFFSET THEIR HUGE ADVANTAGE IN NUMBERS OF WEAPONS, IN MILITARY MANPOWER, IN GLOBAL REACH, AND IN CONTROL OVER OTHER NATIONS.

AT A LOWER LEVEL OF CONFLICT, THE SOVIET UNION HAS BEEN BUSILY TESTING WHETHER THE U.S. WILL RESIST FOREIGN PROVOKED AND SUPPORTED INSTABILITY AND INSURGENCY IN LATIN AMERICA, ASIA AND AFRICA, THE SO-CALLED THIRD WORLD. IT HAS DEVELOPED AN AGGRESSIVE STRATEGY WHICH AVOIDS DIRECT CONFRONTATION AND INSTEAD TAKES MAXIMUM ADVANTAGE OF THIRD WORLD SURROGATES LIKE CUBA, VIETNAM, LIBYA AND NICARAGUA, ETHIOPIA AND ANGOLA TO OBTAIN SOVIET OBJECTIVES. THIS ENABLES MOSCOW TO DENY INVOLVEMENT, LABEL SUCH CONFLICTS AS INTERNAL, AND WARN SELF-RIGHTEOUSLY AGAINST OUTSIDE INTERFERENCE.

THIS CREEPING IMPERIALISM HAS, IN MY VIEW, TWO PRIMARY TARGETS -- THE OIL FIELDS OF THE MIDDLE EAST WHICH ARE THE LIFELINE OF THE WESTERN ALLIANCE AND THE ISTHMUS AND CANAL OF PANAMA BETWEEN NORTH AND SOUTH AMERICA. AFGHANISTAN, SOUTH YEMEN, ETHIOPIA, AS WELL AS CAM RANH BAY IN VIETNAM, AND MOZAMBIQUE AND ANGOLA IN SOUTHERN AFRICA, BRING SOVIET POWER MUCH CLOSER TO THE SOURCES OF OIL AND MINERALS ON WHICH THE INDUSTRIAL NATIONS DEPEND AND PUTS SOVIET NAVAL AND AIR POWER ASTRIDE THE SEA LANES WHICH CARRY THOSE RESOURCES TO AMERICA, EUROPE AND JAPAN.

TIME AND AGAIN WE HAVE WATCHED THE SOVIETS AND THEIR SURROGATES MOVE IN TO EXPLOIT AND INSTIGATE SOCIAL AND ECONOMIC DISCONTENT. THEY GAIN AN INSURGENT BASE, EXPAND IT WITH TRAINED MEN AND MILITARY ARMS, DRIVE OUT INVESTMENT, AND WAIT FOR ANOTHER COUNTRY TO FALL. SINCE 1972, MOSCOW HAS ADDED FIVE NEW CLIENT STATES IN THE THIRD WORLD AND THREATENS MORE THAN A DOZEN OTHER REGIMES VIA CROSSBORDER MILITARY OPERATIONS, INSURGENCIES AND SUBVERSION.

IT'S NOT A VERY PRETTY PICTURE. MARXIST-LENINIST POLICIES AND TACTICS HAVE UNLEASHED THE FOUR HORSEMEN OF THE APOCALYPSE. THROUGHOUT THE THIRD WORLD WE SEE FAMINE IN AFRICA, PESTILENCE THROUGH CHEMICAL AND BIOLOGICAL AGENTS IN AFGHANISTAN AND INDO-CHINA, WAR ON THREE CONTINENTS, AND DEATH EVERYWHERE.

IN THOSE OCCUPIED COUNTRIES IN WHICH MARXIST REGIMES HAVE BEEN EITHER IMPOSED OR MAINTAINED BY EXTERNAL FORCES, THERE HAS OCCURRED A HOLOCAUST COMPARABLE TO THAT WHICH NAZI GERMANY INFLICTED ON EUROPE SOME 40 YEARS AGO. SOME FOUR MILLION AFGHANS, MORE THAN ONE-QUARTER OF THE POPULATION, HAVE HAD TO FLEE THEIR COUNTRY. IN CAMBODIA, 2 TO 3 MILLION PEOPLE, SOMETHING LIKE ONE-QUARTER OF THE PRE-WAR POPULATION, HAVE BEEN KILLED IN THE MOST VIOLENT AND BRUTAL MANNER BY BOTH INTERNAL AND EXTERNAL MARXIST FORCES.

NOW FOR THE GOOD NEWS. THE PENDULUM OF HISTORY SLOWLY BUT SURELY IS SWINGING AWAY FROM SOVIET MARXISM AS A MODEL FOR THIRD WORLD COUNTRIES, AND TOWARD THE CONCEPTS OF DEMOCRACY AND FREE MARKET ECONOMICS. THERE WAS A DAY -- NOT TOO LONG AGO -- WHEN SOVIET-STYLE COLLECTIVISM WAS WIDELY SEEN AS THE PANACEA FOR THIRD WORLD SOCIAL AND ECONOMIC ILLS. NO ONE -- NOT EVEN THE SOVIETS AND THEIR FRIENDS -- BELIEVES THIS TODAY. ABOUT ALL MOSCOW STILL HAS GOING FOR IT IS A PROVEN FORMULA FOR SUBVERSION AND AN UNDILUTED WILLINGNESS TO USE RAW POWER TO SHORE UP AND PROTECT THEIR UNPOPULAR CLIENT REGIMES. IN SHORT, MOSCOW INCREASINGLY FINDS ITSELF ON THE DEFENSIVE, SUPPORTING HIGH-COST, LONG-TERM EFFORTS TO MAINTAIN IN POWER THE REPRESSIVE REGIMES THEY HAVE INSTALLED OR CO-OPTED IN PLACES LIKE AFGHANISTAN, ANGOLA, ETHIOPIA, CAMBODIA, MOZAMBIQUE, YEMEN AND NICARAGUA. RIGHT NOW, SOME HALF A MILLION RESISTANCE FIGHTERS HAVE TAKEN UP ARMS AGAINST SOME 400,000 SOVIET, VIETNAMESE AND CUBAN TROOPS OCCUPYING THESE COUNTRIES.

THIS ROLE REVERSAL COULD TURN OUT TO BE ONE OF THE GREAT HISTORICAL TURNING POINTS OF OUR LIFETIME. BUT IT WILL ONLY WORK OUT THIS WAY IF THE INDIGENOUS THIRD WORLD FORCES RESISTING MARXISM-LENINISM, TOGETHER WITH THE U.S. AND THE WEST, CAN ACT TO TAKE ADVANTAGE OF THIS OPEN "WINDOW OF OPPORTUNITY" TO ADVANCE DEMOCRACY.

THIS COUNTRY'S STRATEGY IN THE THIRD WORLD MUST GO BEYOND SUPPORTING FREEDOM FIGHTERS. MARXISM-LENINISM MAY BE INTELLECTUALLY, MORALLY AND ECONOMICALLY BANKRUPT, BUT WE ARE NOT. IN ADDITION TO DOING WHAT WE CAN TO SUPPORT INDIGENOUS RESISTANCE TO SOVIET-BACKED REPRESSIVE REGIMES, WE HAVE TO COME TO GRIPS WITH THE CORE DEVELOPMENTAL PROBLEMS OF THE THIRD WORLD AND HOW THE WEST'S TECHNOLOGICAL INGENUITY, ITS ENTREPRENEURIAL TALENTS, AND ITS FREE MARKETS CAN BE BROUGHT TO BEAR THERE. THIS, OF COURSE, IS THE WEST'S REAL ACE-IN-THE-HOLE AND HERE WE HAVE ONLY JUST BEGUN TO SCRATCH THE SURFACE.

THE STANDING OF COMMUNISM AS AN ECONOMIC SYSTEM AND AS AN IDEOLOGY HAS NEVER BEEN LOWER. STATE-OWNED FIRMS ARE BEING PRIVATIZED FROM BRAZIL TO BANGLADESH, FROM MEXICO TO MALAYSIA, FROM TURKEY TO TANZANIA. POLLING DATA INDICATES THAT PRIVATIZATION IS GENERALLY POPULAR WITH THE PEOPLE AND THAT THE PRIVATE SECTOR IS BEING SEEN WITH INCREASING RESPECT. PUBLIC LEADERS WHO ONCE PRETENDED THAT THEIR COUNTRIES WERE MORE SOCIALIST THAN WAS ACTUALLY THE CASE NOW PRETEND THAT THEIR

COUNTRIES ARE MORE CAPITALIST. INDIA, THE LARGEST COUNTRY IN THE THIRD WORLD, AND CHINA, THE WORLD'S LARGEST COMMUNIST COUNTRY, ARE BOTH SEEN AS INCREASINGLY ENTHUSIASTIC CONVERTS TO THE MARKET SYSTEM. THE ORGANIZATION OF AFRICAN UNITY IS APPLAUDING THE POSITIVE ROLE OF THE PRIVATE SECTOR. IN WESTERN EUROPE SOME SOCIALISTS ARE PUSHING DEREGULATION, AND IN EASTERN EUROPE SOME COMMUNISTS ARE SPEAKING UP FOR "MARKET SOLUTIONS." IN DEVELOPED AND DEVELOPING NATIONS ALIKE, "STRUCTURAL REFORM," A CODEWORD FOR DRASTIC CUTBACK IN THE ECONOMIC INFLUENCE OF THE STATE, IS RAPIDLY REPLACING STATISM AS THE PANACEA FOR ECONOMIC AND SOCIAL ILLS.

NONE OF THIS IS TERRIBLY SURPRISING. WE SHOULD NOT UNDERESTIMATE EITHER THE INTELLIGENCE OR THE LATENT CAPITALISM OF THE THIRD WORLD. THERE IS A BASIC STRATUM IN THE THIRD WORLD OF FREE ENTERPRISE THAT HAS ALWAYS BEEN THERE AND REMAINS TO THIS DAY. THESE ARE PEOPLE WHO HAVE AN INTUITIVE UNDERSTANDING OF THE CONNECTION BETWEEN WORK AND PROSPERITY, BETWEEN SAVING AND WEALTH, AND WHO RECOGNIZE AN OPPORTUNITY WHEN THEY SEE ONE.

WHEN THESE THIRD WORLD CITIZENS TAKE A LOOK AT THE SOVIET MODEL, THE COMPARISON IS STARK. AMONG OTHER THINGS, THEY SEE AN ECONOMY THAT IS GRINDING TO A HALT. THEY SEE A SOCIETY WHERE CONSUMERS SPEND BILLIONS OF MAN-HOURS ANNUALLY JUST STANDING IN LINE. IN THE THIRD WORLD, MOSCOW INCREASINGLY

FINDS ITSELF ON THE PSYCHOLOGICAL AND POLITICAL DEFENSIVE SUPPORTING HIGH-COST, LONG-TERM EFFORTS TO MAINTAIN IN POWER THE REPRESSIVE REGIMES THEY HAVE INSTALLED OR CO-OPTED IN PLACES LIKE AFGHANISTAN, ANGOLA, ETHIOPIA, CAMBODIA, MOZAMBIQUE, YEMEN AND NICARAGUA.

THERE IS SO MUCH THAT CAN BE DONE ON THIS FRONT. THE WEST, AND THE WEST ALONE, HAS THE CAPITAL AND TECHNOLOGY TO ACTUALLY SOLVE THE ECONOMIC PROBLEMS THAT MAKE THE THIRD WORLD, THE THIRD WORLD. A DETAILED LOOK NEEDS TO BE TAKEN AT THE WHOLE RANGE OF TECHNOLOGY AVAILABLE IN THE WEST AND AN ATTEMPT MADE TO MATCH THESE TECHNOLOGIES WITH UNUTILIZED RESOURCES IN THE THIRD WORLD. THE RANGE OF TECHNOLOGIES AND APPLICATIONS TRULY IS ENORMOUS. THE LIST IS ENDLESS. TAKE AN ABUNDANT RESOURCE SUCH AS BIOMASS -- A FANCY WORD FOR ANY VEGETATION OR ORGANIC MATERIAL THAT CAN BE BURNED FOR ENERGY. BIOMASS LENDS ITSELF TO EXPLOITATION THROUGH CARBONIZATION TECHNOLOGY, THROUGH NEW MILLING TECHNOLOGIES, THROUGH FLUIDIZED BED COMBUSTION, THROUGH POWER COGENERATION, EVEN DOWN TO SUCH TECHNIQUES AS RUBBER RECLAMATION.

LET ME GIVE YOU A FEW OTHER EXAMPLES:

-- MEMBRANE TECHNOLOGY FOR THE PROCESSING OF FISH CAN BE USED IN PLACES LIKE PERU AND SOME OF THE WEST AFRICAN COUNTRIES TO PRODUCE FISH PROTEIN CONCENTRATE AND FISH OIL EFFICIENTLY AND CHEAPLY.

- WIND TURBINE TECHNOLOGY. WIND IS A RESOURCE THAT MANY LDCs HAVE IN ABUNDANCE, AND IT CAN BE USED RATHER THAN SCARCE FIREWOOD OR EXPENSIVE HYDROCARBONS TO NOT ONLY PRODUCE ENERGY BUT ALSO TO LIMIT DESERTIFICATION.
- PHOTOVOLTAIC CELLS AND OTHER SOLAR ENERGY TECHNOLOGIES CAN SERVE A SIMILAR PURPOSE, ESPECIALLY IN NORTH AFRICA AND THE MIDDLE EAST.
- FREEZE-DRYING OF MEATS CAN REVOLUTIONIZE THE COMMERCIAL MEAT INDUSTRY IN COUNTRIES SUCH AS GUATEMALA AND ZAIRE.
- FISH FARMING IS POTENTIALLY MUCH MORE EFFICIENT FOR THE PRODUCTION OF PROTEIN THAN CONVENTIONAL FISH HARVESTING. AND THERE ARE OPPORTUNITIES FOR FRESH WATER FISH FARMING IN PLACES LIKE URUGUAY AND THE DOMINICAN REPUBLIC -- FOR SALTWATER FISH FARMING IN PLACES LIKE THE IVORY COAST, JAMAICA, AND KENYA -- FOR CULTURED PEARL PRODUCTION IN SRI LANKA.
- OVERHEAD SURVEYING TECHNIQUES, INCLUDING INFRARED AND RADAR, CAN PROVIDE INDICATIONS OF THE OPPORTUNITY TO BRING UP EVERYTHING FROM OIL TO UNDERGROUND WATER.

MANY OF THESE TECHNOLOGIES ARE ALREADY IN USE IN PARTS OF THE THIRD WORLD. OTHERS MUST BE ADAPTED OR DEVELOPED. AS THE EXAMPLE OF THE GREEN REVOLUTION IN SOUTH ASIA SHOWS, IN A FEW

SHORT YEARS THEY CAN REVOLUTIONIZE THE ECONOMIC OUTLOOK OF A COUNTRY OR A REGION. PIECE BY PIECE, TECHNIQUE BY TECHNIQUE, COUNTRY BY COUNTRY, THEY HAVE THE POTENTIAL TO ELIMINATE HUNGER AND RAISE THIRD WORLD LIVING STANDARDS TO LEVELS THAT A FEW YEARS AGO WOULD HAVE SEEMED IMPOSSIBLE. THIS, I MAINTAIN, IS WHAT THE WEST HAS TO OFFER -- WHAT IT MUST OFFER.

SOME OF YOU MAY BE SURPRISED TO HEAR A DIRECTOR OF THE CIA GO OFF ON THIS KIND OF TANGENT. WELL, YOU SHOULDN'T BE. THE WORLD HAS CHANGED CONSIDERABLY SINCE THE SOVIET UNION AND THE U.S. WERE THE ONLY INTERNATIONAL PLAYERS THAT REALLY MATTERED. THE NUMBER OF PLAYERS HAS PROLIFERATED, ISSUES HAVE BECOME BEWILDERINGLY COMPLEX, THE PACE OF CHANGE AND TECHNOLOGICAL ADVANCE ALMOST OVERWHELMING, AND THE WORLD MUCH SMALLER AND FAR MORE INTERDEPENDENT. AND THIS, IN TURN, HAS REVOLUTIONIZED THE WORLD OF INTELLIGENCE. WE HAVE BEEN DRAWN INTO NONTRADITIONAL AREAS OF COLLECTION AND ANALYSIS AT A BREATHTAKING PACE. I AM TALKING ABOUT THE KIND OF INTERNATIONAL ISSUES THAT ARE IMPOSING INCREASINGLY DIFFICULT CHALLENGES TO OUR SOCIETY. THE LIST IS LONG -- INTERNATIONAL TERRORISM, INDUSTRIAL COMPETITIVENESS, THE PROLIFERATION OF CHEMICAL, NUCLEAR AND BIOLOGICAL WEAPONS, INTERNATIONAL FINANCE, TRAFFICKING IN NARCOTICS AND STOLEN TECHNOLOGY, JUST TO MENTION A FEW.

AND, OF COURSE, WE HAVE MOVED THE HUGE GENERAL ISSUE OF THIRD WORLD STABILITY UP TO ONE OF OUR FRONT BURNERS. WE

CONTINUE TO EXPLOIT SOVIET VULNERABILITIES THROUGH TRADITIONAL INTELLIGENCE METHODS, BUT WE ARE ALSO MOVING ON A BROADER, NON-TRADITIONAL FRONT AS WELL. FOR EXAMPLE, IN CONJUNCTION WITH LOS ALAMOS NATIONAL LABORATORY, WE ARE INVOLVED IN DESIGNING A PILOT RESOURCE ASSISTANCE PROGRAM IN CENTRAL AMERICA. THE PROGRAM INCLUDES SEVERAL PROJECTS, SUCH AS: (1) LOCATING PEAT DEPOSITS IN PANAMA AND COSTA RICA FOR USE IN ELECTRICITY GENERATION; (2) LOCATING GEOTHERMAL DRILLING SITES IN COSTA RICA, HONDURAS, AND GUATEMALA FOR ELECTRICITY GENERATION AND INDUSTRIAL STEAM; (3) ASSISTING ALL CENTRAL AMERICAN GOVERNMENTS, EXCEPT NICARAGUA, IN ENERGY PLANNING; AND (4) CARRYING OUT MINERAL RECONNAISSANCE IN COSTA RICA.

AT CIA WE HAVE ALSO SET UP A SPECIAL UNIT OF FIRST-CLASS ECONOMISTS AND TECHNICAL ANALYSTS TO HELP IN MATCHING TECHNOLOGY AND UNDERUTILIZED RESOURCES -- AN EFFORT THAT GOES WELL BEYOND THE LOS ALAMOS PROJECT. WE HAVE STUDIED OR ARE IN THE PROCESS OF STUDYING SOME 20 COUNTRIES IN THIS WAY TO IDENTIFY THE RESOURCES AND OTHER ASSETS TO WHICH WESTERN CAPABILITIES CAN BE APPLIED TO ADVANTAGE. WE ARE LOOKING AT THEIR ENERGY RESOURCES AS WELL AS MINERAL AND AGRICULTURAL POTENTIAL TO ASSESS THE OPPORTUNITIES FOR APPLICATION OF WESTERN TECHNOLOGY, CAPITAL AND MANAGERIAL SKILLS. WE HAVE ALREADY FOUND THAT THE POTENTIAL IS ENORMOUS.

OF COURSE, THE KIND OF BROAD EFFORT I AM CALLING FOR TO EFFECTIVELY MATCH WESTERN KNOW-HOW WITH THIRD WORLD PROBLEMS GOES FAR BEYOND THE CAPABILITIES OF CIA AND, FOR THAT MATTER, OF WESTERN GOVERNMENTS PER SE. THE U.S. GOVERNMENT, FOR EXAMPLE, FACES RESTRAINTS ON THE AMOUNT OF FINANCIAL AID IT CAN SUPPLY AND THESE RESTRAINTS ARE NOT LIKELY TO DISAPPEAR IN THE NEAR FUTURE. THE INTERNATIONAL BANKING COMMUNITY IS ALSO LIMITED IN THE AMOUNT OF FINANCIAL ASSISTANCE IT CAN PROVIDE. ONLY AN EXTREMELY BROAD COALITION OF WESTERN GOVERNMENTS AND PRIVATE SECTORS CAN GET THE JOB DONE. AND, OF COURSE, THE CITIZENS OF THE THIRD WORLD MUST ALSO PLAY LEADING ROLES IN THIS EFFORT. IN THE FINAL ANALYSIS, THEY ARE THE ONES WHO MUST DECIDE IF THE TECHNOLOGY FITS THEIR SITUATION, IF IT WARRANTS THE INVESTMENT OF THEIR TIME, LABOR AND CAPITAL.

ABOVE ALL, IT WILL REQUIRE A LOT OF OLD-FASHIONED INGENUITY, ENTREPRENEURIAL ENERGY, AND A WILLINGNESS TO CONSIDER NEW APPROACHES AND LINKAGES BETWEEN THE PUBLIC AND PRIVATE SECTORS. NEITHER WESTERN GOVERNMENTS NOR BUSINESS COMMUNITIES ARE ORIENTED TOWARDS THE TYPE OF OPPORTUNITIES NOW BECKONING IN THE THIRD WORLD.

PERHAPS WE NEED NEW PUBLIC AND PRIVATE FINANCING AND DEVELOPMENT COMBINATIONS -- INTERNATIONAL ORGANIZATIONS THAT WOULD STIMULATE PRIVATE INVESTMENT AND TAKE A LEAD IN PRIVATE AND PUBLIC SECTOR DEVELOPMENT.

THE IMPORTANT THING IS FOR THE WESTERN COMMUNITY TO GET ON WITH THE JOB OF HARNESSING AND UTILIZING THE VAST POTENTIAL ADVANTAGES AT OUR DISPOSAL. THE SOVIET UNION MAY HAVE A PROVEN RECIPE OF SUBVERSION AND AN UNDILUTED WILLINGNESS TO USE RAW POWER TO SHORE UP ITS UNPOPULAR CLIENTS. BUT WE IN THE WEST HAVE AN INFINITELY MORE POWERFUL WEAPON -- THE PROMISE OF LONG-TERM PROSPERITY.

IF WE CAN USE THE WEST'S TECHNOLOGY, SKILLS, CAPITAL AND MARKETS TO TRANSFORM THIS PROMISE INTO REALITY, OUR STRATEGIC COMPETITION WITH MOSCOW IN THE GLOBAL COUNTRYSIDE OF THE THIRD WORLD WILL BE CONCLUSIVELY WON. IF WE FAIL TO DO THIS, THEN THE WEST FACES A PROLONGED, UNCERTAIN AND DANGEROUS STRUGGLE, ARMED ONLY WITH THE WEAPONS OF MOSCOW'S CHOICE.

CAN ANYONE DOUBT THAT THE RESOURCES AND CREATIVITY TO DO THIS JOB EXIST IN THE WEST? THEY CERTAINLY DO. BUT GETTING ON WITH THE JOB WILL REQUIRE ACTION BY WESTERN POLITICAL, BUSINESS AND COMMUNITY LEADERS SUCH AS YOURSELVES. AS I'VE SAID, WESTERN GOVERNMENTS NEED TO BEGIN DOING A MUCH BETTER JOB OF SERVING AS CLEARING HOUSES FOR OPPORTUNITIES INFORMATION AND SOMETIMES AS PARTNERS OR EVEN PERHAPS GUARANTORS FOR PRIVATE INVESTMENT IN THE THIRD WORLD. AND WESTERN BUSINESSMEN NEED TO BECOME MORE AWARE OF THE CHANGING ATTITUDES AND GREATER

RECEPTIVITY IN THE THIRD WORLD TOWARD ENTREPRENEURSHIP AND VENTURE CAPITALISM. WE NEED TO BECOME MORE AGGRESSIVE IN SEARCHING OUT OPPORTUNITIES AND, YES, A LITTLE MORE WILLING TO TAKE RISKS -- RISKS WHICH THE STAKES AND POTENTIAL PAY-OFFS MORE THAN JUSTIFY. FOR OUR OWN SAKE, AND FOR THE SAKE OF THE PEOPLES OF THE THIRD WORLD, WE NEED TO THINK BIG AND STIR OURSELVES TO SEE THAT, AT THIS TURNING POINT, THINGS TURN OUR WAY.

THANK YOU.
